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**FLORIDA PUBLIC COUNSEL FILES TO CUT GULF STORM
RECOVERY CHARGE BY \$54M.**

FOR IMMEDIATE RELEASE--For further information call 850-488-9330

Tallahassee, FL, May 9— Florida's Public Counsel, Harold McLean, who represents Florida customers in utility cases before the Florida Public Service Commission (FPSC), filed testimony today seeking to reduce Gulf Power Company's (Gulf) proposed \$137.8 million restoration rate increase by more than \$54 million. McLean's office is funded by the Florida Legislature.

Gulf filed its petition in February requesting \$137.8 million over 8 years to pay for 2005 storm costs, the remaining 2004 storm costs, and replenishing the storm reserve. The testimony filed today by McLean sets the issues for the hearing scheduled to start May 31st in Tallahassee.

The Office of Public Counsel's (OPC) filing today includes testimony of two expert witnesses who advocate for a reduction to the amount of Gulf's requests.

Gulf asked for an additional \$70 million to replenish its reserve. Public Counsel and AARP have jointly sponsored testimony to reduce the size of the reserve request by \$50 million.

OPC's accounting witness agrees with the incremental costs approach taken by Gulf in its petition. However, he testifies that Gulf and its shareholders should also share in the costs of storm recovery. He advocates that Gulf should be required to contribute \$4.5 million.

"Gulf should be applauded for filing its petition using the incremental costs approach," said McLean. "The incremental costs approach keeps customers from paying twice and the Company from double recovery. This is the right way to go for customers and the Company." McLean added "With that said, we believe that Gulf's request should be reduced by at least \$54 million. And we look forward to the debate before the Commission at the hearing."